



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

# IRAS e-Tax Guide

## GST: Guide for Motor Vehicle Traders (Fifth Edition)



Published by  
Inland Revenue Authority of Singapore

Published on 1 Oct 2021

First edition on 1 Apr 2015  
Second edition on 20 Nov 2015  
Third edition on 13 Feb 2018  
Fourth edition on 10 Feb 2021

Disclaimers: IRAS shall not be responsible or held accountable in any way for any damage, loss or expense whatsoever, arising directly or indirectly from any inaccuracy or incompleteness in the Contents of this e-Tax Guide, or errors or omissions in the transmission of the Contents. IRAS shall not be responsible or held accountable in any way for any decision made or action taken by you or any third party in reliance upon the Contents in this e-Tax Guide. This information aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.

© Inland Revenue Authority of Singapore

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

## Table of Contents

		<b>Page</b>
1	Aim .....	1
2	At a glance .....	1
3	Glossary .....	2
4	Imports .....	4
5	Price Display .....	5
6	Sale of New Vehicles .....	6
7	Sale of New Vehicles under Hire-Purchase .....	11
8	Sale of Second-Hand Vehicles .....	12
9	Gross Margin Scheme for Sale of Second-Hand Vehicles.....	12
10	Discounted Sale Price Scheme for Sale of Second-Hand Vehicles .....	15
11	Sale of Vehicle Bodies .....	16
12	Sale of Vehicle Parts.....	18
13	Sale of Temporary COE (TCOE).....	18
14	Deposits .....	18
15	Trade-In .....	18
16	Hire-Purchase Financing.....	19
17	Repossession of Vehicles Sold under Hire-Purchase .....	19
18	Insurance .....	20
19	Accessories and Spare Parts.....	21
20	Miscellaneous Fees/Charges.....	21
21	Free Gifts and Free Warranties.....	21
22	Claiming Input Tax .....	22
23	De-Registration .....	22

- 24 Record Keeping ..... 23
- 25 Contact Information..... 24
- 26 Updates and Amendments..... 24
- Appendix 1 - Record Keeping for Sale of Second-Hand Vehicles ..... 25
- Appendix 2 - Sample Tax Invoice to Customer/Finance Company for Sale of New Vehicles under Hire-Purchase ..... 27
- Appendix 3 - Sample Sales Invoice to Customer for Sale of Second-Hand Vehicles under Gross Margin Scheme..... 28
- Appendix 4 - Sample Tax Invoice to a GST-Registered Customer for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme ..... 29
- Appendix 5 - Sample Tax Invoice to Customer/Finance Company for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme ..... 30
- Appendix 6 - GST Computation Templates for Sale of New Vehicles ..... 31
- Appendix 7 - GST Computation Templates for Sale of Second-Hand Vehicles ..... 33
- Appendix 8 - GST Computation Templates for Sale of Vehicle Bodies ..... 34

## **1 Aim**

- 1.1 This guide is for GST registered businesses selling new and/or second-hand motor vehicles<sup>1</sup>. The purposes of this guide are:
- (a) To explain the GST treatment applicable to motor vehicle traders; and
  - (b) To illustrate the GST computations for sale of motor vehicles.

## **2 At a glance**

- 2.1 The business activities of a motor vehicle trader include the importation of motor vehicles, sales of new and used vehicles, and sales of motor vehicle bodies of de-registered vehicles.
- 2.2 All motor vehicles in Singapore must be registered with LTA. To curb the growth of vehicle population in Singapore, LTA imposes regulatory charges on the sale of new vehicle. Regulatory charges do not attract GST as they do not relate to the provision of goods or services.
- 2.3 All other charges or payments received in relation to a supply of motor vehicles are subject to GST.
- 2.4 The GST treatment for the sale of a new motor vehicle differs from that of a second-hand motor vehicle. For the sale of a new vehicle, GST is chargeable on the selling price of the motor vehicle excluding regulatory charges such as COE. For the sale of a second-hand motor vehicle, the computation of the GST chargeable depends on whether the sale is made under the Gross Margin Scheme or the Discounted Sale Price Scheme.

---

<sup>1</sup> This e-Tax guide replaces the IRAS' e-Tax guide on "GST: GST Guide for Motor Traders" published on 1 Apr 2013.

---

### **3 Glossary**

#### **3.1 ARF**

ARF denotes Additional Registration Fee

#### **3.2 ATA Carnet or Carnet De Passage En Douane**

An ATA Carnet is an international customs and temporary export-import document. It is used to clear customs without the need to pay duties and import taxes on merchandise that will be re-exported within certain period<sup>2</sup>.

A Carnet De Passage En Douane is a type of ATA carnet covering the temporary import of a motor vehicle and containing relevant information such as the make, model, colour, engine capacity, seating capacity, registration number and the value of the motor vehicle.

#### **3.3 CEVS**

CEVS denotes Carbon Emissions-Based Vehicle Scheme

#### **3.4 CIF**

CIF denotes Cost, Insurance and Freight

#### **3.5 COE**

COE denotes Certificate of Entitlement

#### **3.6 Discounted Sale Price Scheme**

Discounted Sale Price Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on 50% of the selling price of the vehicle.

#### **3.7 Gross Margin Scheme**

Gross Margin Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on the difference between the selling price and the purchase price of the vehicle.

#### **3.8 GVR**

GVR denotes Green Vehicle Rebate

---

<sup>2</sup> Definition taken from <http://www.atacarnet.com>

3.9 **LTA**

LTA denotes Land Transport Authority

3.10 **OPC**

OPC denotes Off-Peak Car

3.11 **PARF**

PARF denotes Preferential Additional Registration Fee

3.12 **RF**

RF denotes Registration Fee

3.13 **Second-Hand Vehicle**

A second-hand vehicle is a used motor vehicle which has been registered in Singapore. It excludes any used vehicle which was registered overseas.

3.14 **TCOE**

TCOE denotes Temporary Certificate of Entitlement

## 4 Imports

4.1 When you import motor vehicles from overseas, at the point of importation, GST is payable on the CIF value plus custom duties.

Example 1:

CIF	\$12,000
Custom Duty	\$ 6,750
GST payable	7% x (CIF + Custom Duty)
	= 7% x (\$12,000 + \$6,750)
	= \$1,312.50

4.2 If you import/re-import motor vehicles and spare parts under the following scenarios, import GST will not be imposed if you meet certain conditions:

Scenarios	Conditions
Motor vehicles <b>temporarily exported</b> for repair overseas and <b>re-imported</b> after repair <sup>3</sup>	<ul style="list-style-type: none"> <li>• The vehicles are <b>re-imported</b> within 3 months from <b>date of export</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of export</b> and <b>re-import</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• A certificate is produced from the repairer to the effect that new parts<sup>4</sup> have or have not been added.</li> </ul>
Motor vehicles <b>temporarily imported</b> for repair, modification or treatment and <b>re-exported</b> subsequently	<ul style="list-style-type: none"> <li>• The vehicles are <b>re-exported</b> within 3 months from <b>date of import</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of import</b> and <b>re-export</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• Security is furnished to cover the GST on <b>the vehicles imported</b>.</li> </ul>

<sup>3</sup> The relevant Customs' Permit must be taken up before sending the vehicles overseas for repairs

<sup>4</sup> Where new parts have been added, the relief granted shall apply only to the original parts of the vehicles re-imported.



<p>Spare parts imported for repair, modify or treat motor vehicles <b>temporarily imported</b> for repair and the vehicles are <b>re-exported</b> subsequently</p>	<ul style="list-style-type: none"> <li>• The vehicles are <b>re-exported</b> within 3 months from <b>date of import</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of import</b> and <b>re-export</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• Security is furnished to cover the GST on <b>the spare parts imported</b>.</li> </ul>
<p>Motor vehicles imported for <b>the purpose of demonstration, training or racing</b> in Singapore</p>	<ul style="list-style-type: none"> <li>• The vehicles are <b>not used</b> on any public road in Singapore; and</li> <li>• The vehicles are <b>not to be sold or transferred</b> to any person or organisation in Singapore.</li> <li>• If the vehicles are subsequently sold in Singapore, GST is payable on the CIF value or selling price, whichever is the higher, plus custom duty.</li> </ul>
<p>Motor vehicles imported for <b>display and use at exhibitions, fairs or other similar events</b></p>	<ul style="list-style-type: none"> <li>• An ATA Carnet or Carnet De Passage En Douane issued by an overseas organisation recognised by the Director-General of Singapore Customs is furnished. Alternatively, an inward permit in such form as directed by the Director-General of Singapore Customs is furnished; and</li> <li>• The vehicles must be <b>re-exported</b> within the validity period of the Carnet (where a Carnet is furnished) or within 3 months from <b>date of import</b> (where an inward permit is furnished).</li> <li>• If the vehicles are subsequently sold in Singapore, GST is payable on the CIF value or the selling price, whichever is the higher, plus customs duty.</li> </ul>

## 5 Price Display

- 5.1 For sale of motor vehicles to the public, you must display, advertise, publish or quote GST-inclusive prices. For example, you may advertise the GST-inclusive price of a vehicle as \$78,000 (inclusive of ARF, COE and GST). This is so that the customer knows upfront the final price payable.

- 5.2 When you sell motor vehicles to another motor vehicle trader, you can display GST-exclusive prices.

## 6 Sale of New Vehicles

- 6.1 For sale of new vehicles, GST is charged on the Selling Price less ARF, COE, RF and Road Tax. ARF, COE, RF and Road Tax are charges imposed by LTA on vehicle buyers. These charges do not attract GST as they do not relate to the provision of goods or services.

### Example 2: Sale of new vehicle to another motor vehicle trader

Vehicle Price \$50,000 (inclusive of ARF, COE, RF, Road Tax & **excluding** GST)

ARF \$14,000

COE \$13,000

RF \$ 140

Road Tax \$ 500

GST  $7\% \times (\text{Vehicle Price} - \text{ARF} - \text{COE} - \text{RF} - \text{Road Tax})$   
 $= 7\% \times (\$50,000 - \$14,000 - \$13,000 - \$140 - \$500)$   
 $= 7\% \times \$22,360$   
 $= \$1,565.20$

- For GST reporting purposes  
 Value of standard-rated supply \$22,360  
 Output tax \$1,565.20

### Example 3: Sale of new vehicle to the public

Vehicle Price \$51,565 (inclusive of ARF, COE, RF, Road Tax & **including** GST)

ARF \$14,000

COE \$13,000

RF \$ 140

Road Tax \$ 500

GST  $7/107 \times (\text{Vehicle Price} - \text{ARF} - \text{COE} - \text{RF} - \text{Road Tax})$   
 $= 7/107 \times \$23,925$   
 $= \$1,565.19$

- For GST reporting purposes  
 Value of standard-rated supply \$22,359.81 (i.e. \$23,925 - \$1,565.19)  
 Output tax \$1,565.19

- 6.2 Similar to ARF, COE, RF and Road Tax, you can deduct vehicle plate number retention fee from the selling price of a new vehicle when computing the value on which GST is to be charged. However, you cannot deduct transfer fee as it is part of your business cost and not a regulatory fee imposed on vehicle buyers.
- 6.3 When you sell an OPC, you should not deduct the full value of ARF and COE from the selling price of the car when computing the value on which GST is to be charged. You should deduct only the net ARF/COE paid to LTA (i.e. the value of ARF and COE reduced by amount of OPC rebate) from the selling price of the car.

Example 4:

Car Price	\$35,115 (inclusive of ARF, COE, RF, Road Tax & GST)
ARF	\$14,000
COE	<u>\$13,000</u>
	\$27,000
<u>Less OPC rebate</u>	<u>\$17,000</u>
Net ARF/COE paid to LTA	<u>\$10,000</u>

RF	\$ 140
Road Tax	\$ 50

$$\begin{aligned}
 \text{GST} &= 7/107 \times (\text{Car Price} - \text{Net ARF/COE paid to LTA} - \text{RF} - \text{Road Tax}) \\
 &= 7/107 \times (\$35,115 - \mathbf{\$10,000} - \$140 - \$50) \\
 &= 7/107 \times \$24,925 \\
 &= \$1,630.61
 \end{aligned}$$

- 6.4 When you sell a vehicle which was granted rebates by LTA under the GVR or CEVS, you should not deduct the full value of ARF from the selling price of the vehicle when computing the value on which GST is to be charged. You should deduct only the net ARF paid to LTA (i.e. the value of ARF reduced by amount of GVR or CEVS rebate) from the selling price of the vehicle.

Example 5: Vehicle granted GVR

Vehicle Price                   \$50,000 (inclusive of ARF, COE, RF, Road Tax & GST)

ARF	\$14,000
<u>Less GVR</u>	<u>\$ 1,700</u>
Net ARF paid to LTA	<u>\$12,300</u>

COE	\$13,000
RF	\$ 140
Road Tax	\$ 500

GST      $7/107 \times (\text{Vehicle Price} - \text{Net ARF paid to LTA} - \text{COE} - \text{RF} - \text{Road Tax})$   
 $= 7/107 \times (\$50,000 - \mathbf{\$12,300} - \$13,000 - \$140 - \$500)$   
 $= 7/107 \times \$24,060$   
 $= \$1,574.02$

Example 6: Vehicle granted CEVS rebate

Vehicle Price                   \$50,000 (inclusive of ARF, COE, RF, Road Tax & GST)

ARF	\$14,000
<u>Less CEVS rebate**</u>	<u>\$ 5,000</u>
Net ARF paid to LTA	<u>\$ 9,000</u>

COE	\$13,000
-----	----------

RF	\$ 140
----	--------

Road Tax	\$ 500
----------	--------

GST      $7/107 \times (\text{Vehicle Price} - \text{Net ARF paid to LTA} - \text{COE} - \text{RF} - \text{Road Tax})$   
 $= 7/107 \times (\$50,000 - \mathbf{\$9,000} - \$13,000 - \$140 - \$500)$   
 $= 7/107 \times \$27,360$   
 $= \$1,789.91$

\*\*For vehicles subject to CEVS surcharges, the registration surcharge will be added to the ARF before surcharge to compute the total ARF.

- 6.5 If you offer discounts on COE to your customers, the COE to be deducted from the purchase price of the vehicle for the purpose of computing the GST chargeable is the COE quota premium and not the discounted price of COE. This is because the amount collected by LTA is the COE quota premium.

Example 7:

Vehicle Price	\$73,829 (inclusive of ARF, COE, RF, Road Tax & GST)
COE Quota Premium	\$24,000
Actual purchase price of COE	\$26,000 (say, from another motor vehicle trader)
COE charges as reflected in the tax invoice	\$15,000 (discounted price of COE)
ARF	\$23,477
RF	\$ 140
Road Tax	\$ 600
GST	$7/107 \times (\text{Vehicle Price} - \text{COE} - \text{ARF} - \text{RF} - \text{Road Tax})$ $= 7/107 \times (\$73,829 - \mathbf{\$24,000} - \$23,477 - \$140 - \$600)$ $= 7/107 \times \$25,612$ $= \$1,675.55$

- 6.6 Upon scrapping a vehicle that is less than 10 years old, your customer may get a PARF/COE rebate. This rebate can be used to offset the ARF, COE Quota Premium and RF of a new vehicle. Whether the price that you quote to your customer is before or after deducting the PARF/COE rebate, the amount of GST chargeable is the same.

Example 8: Price quoted Before deducting PARF/COE rebate

Car Price	\$50,000 (inclusive of ARF, COE, RF, Road Tax & GST)
ARF	\$14,000
COE Quota Premium	\$13,000
RF	\$ 140
Road Tax	\$ 500

Customer has a PARF/COE rebate of \$18,000 that can be used to offset the ARF, COE Quota Premium and RF of the new car. Therefore, he only pays \$32,000 (i.e. \$50,000 - \$18,000) to you.

$$\begin{aligned} \text{GST} &= 7/107 \times (\$50,000 - \$14,000 - \$13,000 - \$140 - \$500) \\ &= 7/107 \times \$22,360 \\ &= \$1,462.80 \end{aligned}$$

Example 9: Price quoted After deducting PARF/COE rebate

Net Car Price	\$32,000 (GST-inclusive net price payable by customer)
ARF	\$14,000
COE Quota Premium	\$13,000
RF	<u>\$ 140</u>
	\$27,140
<u>Less PARF/COE rebate</u>	<u>\$18,000</u>
Net amount paid to LTA	<u>\$ 9,140</u>
Road Tax	\$ 500
GST	$7/107 \times (\$32,000 - \$9,140 - \$500)$
	$= 7/107 \times \$22,360$
	$= \$1,462.80$

- 6.7 If you sell a new vehicle as a replacement vehicle under the Early Turnover Scheme (ETS), the value of COE of the new replacement vehicle is the sum of the discounted prevailing quota premium (PQP) payable and the COE rebate (if any) of the existing vehicle.

Example 10: Replacement vehicle under ETS

Vehicle Price \$95,000 (inclusive of ARF, COE, RF, Road Tax & GST)

ARF	\$14,000
RF	\$140

Road Tax	\$50
----------	------

Discounted PQP paid for replacement vehicle at registration	\$40,000
---	----------

COE rebate granted to existing vehicle at deregistration	\$6,000
--	---------

$$\begin{aligned} \text{GST} &= 7/107 \times (\text{Car Price} - \text{ARF} - \text{Discounted PQP} - \text{COE Rebate} - \text{RF} - \text{Road Tax}) \\ &= 7/107 \times (\$95,000 - \$14,000 - \mathbf{\$40,000} - \mathbf{\$6,000} - \$140 - \$50) \\ &= 7/107 \times \$34,810 \\ &= \$2,277.29 \end{aligned}$$

Note: The sale of vehicle body upon deregistration of the existing vehicle follows the treatment under paragraph 11.

## **7 Sale of New Vehicles under Hire-Purchase**

- 7.1 For GST purposes, the sale of a motor vehicle under a hire-purchase agreement<sup>5</sup> results in two separate supplies. That is, you are supplying the vehicle to the finance company who in turn supplies the vehicle to the customer (i.e. hirer) at the same price. Therefore, you have to account for GST on the selling price of the vehicle (excluding ARF, COE, RF and Road Tax) as reflected on your tax invoice to the finance company.
- 7.2 If you offer a trade discount to the customer, your tax invoice to the finance company should reflect the net selling price of the vehicle (i.e. the selling price after deducting the trade discount). The GST accountable by you will be based on the net selling price (excluding ARF, COE, RF and Road Tax) shown on the tax invoice.
- If you were to show the gross selling price (i.e. price before the trade discount) of the vehicle on your tax invoice to the finance company, you must account for GST on the gross selling price (but excluding ARF, COE, RF and Road Tax).
- 7.3 If you issue a credit note to the customer for the trade discount given, you cannot show any GST on the credit note and you will have to account for GST on the gross selling price (excluding ARF, COE, RF and Road Tax). In other words, you cannot reduce the output tax chargeable on your sale of the vehicle by issuing a credit note to the customer.

---

<sup>5</sup> For goods sold under a hire-purchase arrangement, the supplier transfers the ownership of the goods to the financier who lets the hirer use the goods during the period of hire. The ownership of the goods is passed to the hirer upon full payment of all the hire instalments. The transfer of possession of goods under agreement for future ownership of the goods constitutes a supply of good at the point of possession under paragraph 1(2)(b) of the Second Schedule to the GST Act.

## 8 Sale of Second-Hand Vehicles

- 8.1 For GST purposes, a second-hand vehicle excludes any used vehicle which was previously registered overseas. This is because when a used vehicle from overseas is imported into Singapore, it is required to be registered and the owner will have to pay COE, ARF and other fees as if it is new.

In addition, delivery mileage or the registration for road use does not turn a new vehicle into a second-hand vehicle. A vehicle is 'unused' until either:

- a) It has been driven on the road following a retail sale; or
- b) It has been appropriated by the dealer for his business.

- 8.2 You have the option of two schemes for the calculation of GST on your sale of second-hand vehicles – the Gross Margin Scheme and the Discounted Sale Price Scheme.

## 9 Gross Margin Scheme for Sale of Second-Hand Vehicles

- 9.1 Under the Gross Margin Scheme, you have to account for GST on the difference between the selling price (which is treated as inclusive of GST) and the purchase price of the motor vehicle.

### Example 11:

Selling Price	\$25,000 (inclusive of GST)
Purchase Price	\$20,000

Selling Price	\$25,000
Purchase Price	<u>(20,000)</u>
Gross margin	<u>\$ 5,000</u>

GST	$7/107 \times \$5,000$
	= \$327.10

- For GST reporting purposes

Value of standard-rated supply	\$24,672.90 (i.e. \$25,000 - \$327.10)
Output tax	\$327.10



- 9.2 If you are in the business of selling second-hand vehicles, you can only use the Gross Margin Scheme for the sale of second-hand vehicles if either one of the following conditions is satisfied:
- a) No GST was previously incurred on the purchase of the vehicle (i.e. the vehicle was bought from an individual or a non-GST registered business); or
  - b) The vehicle was previously bought from another GST registered motor vehicle trader who used the Gross Margin Scheme (i.e. you did not receive a tax invoice and no input tax was claimed by you).
- 9.3 If you wish to use the Gross Margin Scheme, please review your eligibility using the form, 'Self-Review of Eligibility and Declaration on Use of Gross Margin Scheme (GMS)' which can be downloaded from our webpage at [www.iras.gov.sg](http://www.iras.gov.sg).
- 9.4 You cannot issue a tax invoice under the Gross Margin Scheme. You can only issue a normal invoice which must have the details described at **paragraphs 3(a) and 3(c) of Appendix 1**. It is important to note that the GST chargeable is not to be shown on the invoice.
- 9.5 If you sell a second-hand vehicle at a loss, no GST is to be accounted for. However, you have to declare the selling price of the vehicle in Box 1 (Total Value of Standard-rated Supplies) of your GST returns.

Example 12:

Selling Price       \$ 8,000  
Purchase Price     \$10,000

- For GST reporting purposes

Value of standard-rated supply	\$8,000
Output tax	nil

- 9.6 You cannot offset the loss of one sales transaction against the gross margin on another sales transaction for the purpose of determining the total GST to be accounted for.
- 9.7 If you incur LTA charges such as road tax, prevailing quota premium and transfer fee upfront before any sale is transacted, you can include them in your purchase price. However, other expenses such as repair, re-spray, administrative charges, commission, etc cannot be added. If you have incurred GST on these other expenses, you can claim the GST incurred as input tax.

Example 13:

Selling price	\$40,500	
Purchase price	\$10,900	} \$37,530
Prevailing quota premium	\$26,000	
Road tax	\$ 600	
Transfer fee	\$ 30	
Repair	\$ 800	
Commission	\$ 500	
Gross margin	\$40,500 - \$37,530	
	= \$2,970	
GST	7/107 x \$2,970	
	= \$194.30	

- 9.8 If you are recovering the LTA charges from the customer separately, you cannot include them as part of the cost of the vehicle for the purposes of computing the gross margin.

Example 14:

Selling price	\$40,500	
Road tax (billed separately)	\$ 600	
Transfer fee (billed separately)	\$ 30	
Total Consideration paid by customer	\$41,130	
Purchase price	\$10,900	} \$36,900
Prevailing quota premium	\$26,000	
Road tax	\$ 600	
Transfer fee	\$ 30	
Repair	\$ 800	
Commission	\$ 500	
Gross margin	\$40,500 - \$36,900	
	= \$3,600	
GST	7/107 x \$3,600	
	= \$235.51	

## 10 Discounted Sale Price Scheme for Sale of Second-Hand Vehicles

- 10.1 Under the Discounted Sale Price Scheme, GST is charged on 50% of the selling price of the vehicle. This is regardless of whether the vehicle is sold at a profit or loss.

### Example 15: Sale of a second-hand vehicle to another motor vehicle trader

Selling price	\$25,000 ( <b>excluding</b> GST)
Purchase price	\$20,000

GST	$7\% \times 50\% \times \$25,000$ = \$875
-----	--

-	<u>For GST reporting purposes</u>	
	Value of standard-rated supply	\$25,000
	Output tax	\$875.00

### Example 16: Sale of a second-hand vehicle to the public

Selling price	\$25,875 ( <b>including</b> GST)
Purchase price	\$20,000

GST	$7/207 \times \$25,875$ = \$875
-----	------------------------------------

-	<u>For GST reporting purposes</u>	
	Value of standard-rated supply	\$25,000 (i.e. \$25,875 - \$875)
	Output tax	\$875.00

- 10.2 You should use the Discounted Sale Price Scheme when:
- You have previously claimed GST on the purchase of the vehicle (therefore you cannot use the Gross Margin Scheme); or
  - The customer is registered for GST (as using the Discounted Sale Price Scheme will enable the customer to claim input tax if it is a commercial vehicle).
- 10.3 If you are not a motor vehicle trader, you should use the Discounted Sale Price Scheme when you occasionally sell a vehicle that you have used in your business.
- 10.4 You must issue a tax invoice if the customer is GST-registered to enable him to claim input tax credit for a commercial vehicle. The tax invoice must have the details described at **paragraphs 3(b) and 3(c) of Appendix 1**.

## 11 Sale of Vehicle Bodies

11.1 You can apply the Gross Margin Scheme to the sale of a vehicle body to another motor vehicle trader if:

- a) No GST was previously incurred on the purchase of the vehicle (i.e. the vehicle was bought from an individual or non-GST registered business); or
- b) The vehicle was previously bought from another GST-registered motor vehicle trader who used the Gross Margin Scheme.

11.2 Under the Gross Margin Scheme, you have to account for GST on the margin between the selling price of the vehicle body (which is treated as inclusive of GST) and the cost of the vehicle body (which is the purchase price of the vehicle less the face value of the PARF/COE rebate as at date of de-registration of the vehicle).

### Example 17:

Purchase price of vehicle	\$85,000
Face value of PARF/COE rebate as at date registration of vehicle	\$66,000

Selling price of vehicle body	\$20,000 (inclusive of GST)
-------------------------------	-----------------------------

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE rebate as at date of de-registration of vehicle	
= \$85,000 - \$66,000	
= \$19,000	

Gross Margin = Selling price of vehicle body - Cost of vehicle body	
= \$20,000 - \$19,000	
= \$1,000	

GST	$7/107 \times \$1,000$
	= \$65.42

- <u>For GST reporting purposes</u>	
Value of standard-rated supply	\$19,934.58 (i.e. \$20,000 - \$65.42)
Output tax	\$65.42

- 11.3 Under the Gross Margin Scheme, if the face value of the PARF/COE rebate as at the date of de-registration of the vehicle is greater than or equal to the purchase price of the second-hand vehicle, the cost of the vehicle body is treated as zero.

Example 18:

Purchase price of vehicle	\$65,000
Face value of PARF/COE rebate as at date registration of vehicle	\$66,000

Selling price of vehicle body                      \$20,000 (inclusive of GST)

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE rebate as at date of de-registration of vehicle  
 = \$65,000 - \$66,000  
 = -\$1,000

Gross Margin                      = Selling price of vehicle body - Cost of vehicle body  
 = \$20,000 - \$0  
 = \$20,000

GST                                      7/107 x \$20,000  
 = \$1,308.41

- For GST reporting purposes

Value of standard-rated supply	\$18,691.59 (i.e. \$20,000 - \$1,308.41)
Output tax	\$1,308.41

- 11.4 If you have incurred GST on the initial purchase of the vehicle, you must charge and account for GST on the full selling price of the vehicle body. The GST incurred on the initial purchase can be claimed as input tax.

Example 19:

Purchase price of vehicle	\$85,000 Face
value of PARF/COE rebate	\$66,000 as at
date of de-registration of vehicle	

Selling price of vehicle body                      \$20,000 (excluding GST)

GST    7% x \$20,000  
 = \$1,400

- 11.5 If the vehicle body is exported overseas, you can zero-rate the sale provided you are the one who export the vehicle body and you maintain export documents such as bill of lading and cargo clearance permit showing you as the exporter.

## **12 Sale of Vehicle Parts**

- 12.1 When you dismantle a vehicle into various parts and sell/scrap the dismantled vehicle parts, you must charge and account for GST on the full selling price of the vehicle parts.
- 12.2 The Gross Margin Scheme cannot be applied to the sale of vehicle parts. You must charge and account for GST on the full selling price of the vehicle parts.

## **13 Sale of Temporary COE (TCOE)**

- 13.1 If you sell a TCOE to another motor vehicle trader, you have to account for GST on the profit or value-added element.

### Example 20:

Quota Premium for the month is \$24,000

You sell TCOE to another motor vehicle trader at \$24,500

You have to account for GST of \$32.71 (7/107 on the profit margin of \$500)

## **14 Deposits**

- 14.1 When you collect a deposit that forms part payment of the price of the vehicle, you have to account for GST on the deposit collected.
- 14.2 If the deposit collected is to be paid to LTA for the bidding of COE, GST is not payable. However, you must keep evidence of proof that the deposit is fully paid to LTA. This would include the COE application form or the receipt issued by the automated teller machine.

## **15 Trade-In**

- 15.1 It is a common practice for a customer to trade in an old vehicle for a new vehicle. In a trade-in situation, there are two separate supplies made:
- a) Your sale of the new vehicle to the customer; and
  - b) Your customer's sale of the old vehicle to you.

For (a), you should account for GST on the actual GST-inclusive selling price of the new vehicle, excluding ARF, COE, RF and Road Tax. In computing the GST for the new vehicle, you cannot net-off the trade-in value of old vehicle against the selling price of the new vehicle.

Example 21:

Selling price of new vehicle	\$70,000 (inclusive of ARF, COE, RF, Road Tax & GST)	
ARF	\$23,000	} \$47,740
COE	\$24,000	
RF	\$ 140	
Road Tax	\$ 600	
Trade-in value of old vehicle	\$20,000	
Payment received from customer	\$50,000	
GST	$7/107 \times (\$70,000 - \$47,740)$	
	$= 7/107 \times \$22,260$	
	$= \$1,456.26$	

## 16 Hire-Purchase Financing

- 16.1 If you introduce customers who require hire-purchase financing to finance companies and receive a commission from the finance companies, you have to account for GST on the commission earned. This is because you are considered to have provided services to the finance companies.
- 16.2 If you provide hire-purchase financing to your customers, GST is not chargeable on hire-purchase interest and this interest amount has to be separately disclosed to the hirer. Please note that this interest amount has to be declared in Box 3 (Total Value of Exempt Supplies) of the GST returns.

## 17 Repossession of Vehicles Sold under Hire-Purchase

- 17.1 When you repossess a vehicle that has been sold under a hire-purchase agreement, there is no supply for GST purposes. Therefore, no GST is chargeable.
- 17.2 When you subsequently sell the repossessed vehicle, the sale is treated as being made by the hirer. Therefore, if the hirer is a GST registered person, you have to charge and account for GST on the sale on behalf of the hirer<sup>6</sup>. If the hirer is not a GST registered person, you need not charge GST on the sale of the repossessed vehicle.

---

<sup>6</sup>Under regulation 58 of the GST (General) Regulations, when an asset owned by a GST registered person is sold in satisfaction of debt, the person selling the asset is required to collect GST on the selling price and pay the tax directly to IRAS.

- 17.3 If you incur repossession related expenses such as search fee, towing fee and storage fee and subsequently recover the expenses from the hirer, you do not have to charge and account for GST. This is because the recovery of repossession related expenses is treated as compensation arising from default in payment by the hirer and therefore not a supply for GST purposes. You may claim the GST incurred on the repossession related expenses as your residual input tax<sup>7</sup>.

## 18 Insurance

- 18.1 You act as an agent for general insurance companies. Upon selling a vehicle, you introduce your customer to the insurance companies for insurance coverage. For the insurance premium paid by your customer, you do not have to charge GST as you are only acting on behalf of the insurance companies.

If the insurance companies are registered for GST, they will impose 7% on the insurance premiums. You do not need to charge another 7% on the premiums collected on behalf of the insurance companies.

### Example 22:

Vehicle Price	\$53,710 (inclusive of ARF, COE, RF, Road Tax, insurance & GST)
ARF	\$14,000
COE Quota Premium	\$13,000
RF	\$ 140
Road Tax	\$ 500
Insurance	\$ 1,070
Payment received from customer	\$53,710
GST	$7/107 \times (\$53,710 - \$14,000 - \$13,000 - \$140 - \$500 - \$1,070)$ $= 7/107 \times \$25,000$ $= \$1,635.51$

- 18.2 You cannot claim GST on the insurance premiums incurred by vehicle buyers, as the supply of insurance is not contractually made to you but to the vehicle buyers.
- 18.3 You are required to account for GST on the commission that you receive from the insurance companies for introducing your customers to them as you are providing a service to the insurance companies.

---

<sup>7</sup>Residual input tax refers to GST incurred on purchases/expenses that cannot be directly attributable to either taxable or exempt supplies (e.g. overheads). Such input tax need to be apportioned if you do not satisfy the De Minimis Rule. For more information, please refer to our webpage ([www.iras.gov.sg](http://www.iras.gov.sg) > GST > GST-registered businesses > Working out your taxes > Can I claim GST (input tax) > Claiming Input Tax Incurred to Make Exempt Supplies)



## **19 Accessories and Spare Parts**

- 19.1 When a customer buys a new car and requests for accessories, e.g. spoilers or sports rims to be installed, you must charge and account for GST when you recover the cost of the accessories from the customer. If you have incurred GST on the purchase of the accessories, you can claim the GST incurred as input tax.
- 19.2 If you sell In-Vehicle Units (IUs) and number plates, you must charge and account for GST on the sale of IUs and number plates regardless of whether you are selling the IUs and number plates only or with new vehicles. If you have incurred GST on the purchase of the IUs and number plates, you can claim the GST incurred as input tax.

## **20 Miscellaneous Fees/Charges**

- 20.1 You have to charge GST on all your supplies of services made in the course of your business. These include handling charges, collection fees, administration fees, agreement fees and commission.
- 20.2 Interest collected from late payment is not subject to GST as it is an exempt supply. However, you have to declare the amount in Box 3 (Total Value of Exempt Supplies) of your GST returns.

## **21 Free Gifts and Free Warranties**

- 21.1 As part of your sales promotion, you offer free accessories, e.g. tyres or seat covers to your customers. You need not account for GST on the free gifts as the cost of the 'free gifts' would have already been included in the selling price of the vehicle sold.
- 21.2 If you offer free warranties to your customers, you need not account for GST on goods and services provided free of charge during the warranty period. This is because the free warranties are already included in the selling price of the vehicle, for which GST has been accounted for.
- 21.3 If you bought a vehicle with warranty from an overseas dealer and you in turn sold the vehicle with the warranty to a customer, you do not have to charge GST when you seek reimbursement from the overseas dealer for the cost of repairs incurred during the warranty period although the repair works may be performed in Singapore. This is because your selling price of the vehicle, for which GST has been accounted for, would have taken into consideration the cost of repairs covered by the warranty.

However, if the customer has not bought the vehicle from you but you have been appointed by the overseas dealer to perform repair services for the customer, you have to charge GST at 7% when you bill the overseas dealer for the repair services performed on vehicles located in Singapore.

## **22 Claiming Input Tax**

- 22.1 If you have paid GST for your business purchases, including imports, you are entitled to claim the input tax incurred if you meet all the conditions for claiming input tax. Please refer to the webpages on our website<sup>8</sup> for the list of input tax claiming conditions, including the input tax disallowed under Regulations 26 and 27 of the GST (General) Regulations.
- 22.2 Pre-registration GST is the GST that businesses incur on supplies of goods or services made to them before they are registered for GST.

Pre-registration GST is allowable only to the extent that the goods or services acquired are used or will be used for taxable supplies made after GST registration. Hence, if before your GST registration the goods have already been consumed or supplied, or services have been used to make supplies before registration, the pre-registration GST incurred is not allowable.

If the services or goods acquired by you are used to make supplies that straddle your GST registration (i.e. supplies are made both before and after GST registration) or the goods are partially consumed before your GST registration, you need to apportion the GST incurred. Only the portion of GST that is attributable to the supplies made after registration is claimable. You should refer to the e-tax guide on “GST: Pre-Registration Claims on Goods and Services” to determine how apportionment may be done.

## **23 De-Registration**

- 23.1 Once you are de-registered from GST registration, a final GST return (GST F8) will be issued to you to file and account for GST up till the last day of the GST registration, one day before your effective date of cancellation of your GST registration. In your GST F8, you only need to account for output tax based on 50% of the Open Market Value for used vehicles.

For more information on de-registration from GST registration please refer to our e-Tax guide “GST: General Guide for Businesses”.

---

<sup>8</sup> [www.iras.gov.sg](http://www.iras.gov.sg) > GST > GST-registered businesses > Working out your taxes > Can I claim GST (input tax) > Conditions for Claiming Input Tax; and  
[www.iras.gov.sg](http://www.iras.gov.sg) > GST > GST-registered businesses > Working out your taxes > Can I claim GST (input tax) > Covid-19 GST Guidance

## **24 Record Keeping**

- 24.1 It is the responsibility of business owners and company directors to ensure that proper records are kept. You are expected to put in place a record keeping system to ensure that your GST declarations are duly supported with the required documents.

The types of records you need to keep include:

- (a) Source documents that substantiate all transactions in your business - e.g. receipts, invoices, vouchers, and other relevant documents issued or received from customers/suppliers;
- (b) Records of the steps taken to ascertain whether the supply made to you or by you was a part of a Missing Trader Fraud arrangement – e.g. the risks assessed, the due diligence checks performed and the actions taken in response to the results from the checks;
- (c) Accounting records and schedules - manual or electronic records of assets and liabilities, revenue and expenses, gains (profit) and losses;
- (d) Bank statements; and
- (e) Any other records of transactions connected with your business.

You may refer to the e-Tax Guide “Record Keeping for GST registered Businesses” for more information.

For more details on the records to be maintained for the sale of second-hand vehicles, please refer to Appendix 1.

- 24.2 Under the Income Tax Act and the GST Act, you are required to keep business records for a period of at least five years, for records pertaining to accounting periods ending on or after 1 January 2007. Business records for accounting periods before 1 January 2007 must be kept for at least 7 years.
- 24.3 Under the Income Tax Act and GST Act, failure to maintain sufficient records is an offence and may result in expenses claimed being disallowed or/and penalties being imposed.

## 25 Contact Information

- 25.1 For enquiries on this e-Tax Guide, please contact the Goods and Services Tax Division at [www.iras.gov.sg](http://www.iras.gov.sg) (select “Contact Us”).

## 26 Updates and Amendments

	Date of amendment	Amendments made
1	20 Nov 2015	Inserted paragraph 7.7
2	13 Feb 2018	Removed paragraph 4 of second edition on GST registration and renumbered the ensuing paragraphs.  Amended paragraph 26 of second edition (renumbered as paragraph 25 in third edition) on contact information.
3	10 Feb 2021	Revised paragraph 22.1 on input tax claiming conditions.  Inserted paragraph 24.1(b) on record keeping requirements to ascertain whether the supply was part of a Missing Trader Fraud arrangement.  Editorial changes.
4	1 Oct 2021	Revised paragraph 22.1 on input tax claiming conditions to make references to the relevant IRAS webpages.  Deleted previous Appendix 2 on Regulations 26 and 27 of the GST (General) Regulations.

## Appendix 1 - Record Keeping for Sale of Second-Hand Vehicles

1. For sale of second-hand vehicles, you are required to keep the following records:

- (a) The purchase and sales/tax invoices described at paragraphs 2 and 3 below; and
- (b) A stock book or similar records with separate headings for each of the following:

### Purchase details

- stock book number
- date of purchase
- purchase invoice number
- name of seller
- vehicle registration, engine and chassis numbers
- make and model

### Sales details

- date of sale
- sales invoice number
- name of purchaser

### Accounting details

- purchase price and GST incurred (if applicable)
- selling price and GST charged (if applicable)
- method of disposal (Gross Margin or Discounted Sale Price Scheme)
- margin on sale (if applicable)
- GST rate on date of sale
- GST amount accounted as output tax

You can include any other items in your stock book for your own accounting purposes, but the details listed above must always be shown and your stock book must be kept **up-to-date**.

2. When you buy a vehicle from an individual

(a) You must prepare a **purchase invoice** showing:

- seller's name and address
- your name and address
- invoice number
- date of transaction
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- total purchase price

- (b) The seller must sign and date the invoice, certifying that he is the seller of the vehicle at the stated price.
- (c) You have to record the purchase details of the vehicle in your stock book or similar record under the headings shown, including the purchase price. The purchase price is the price on the invoice which has been agreed between you and the seller. This price should not to be altered.

3. When you sell a vehicle

- (a) Under the **Gross Margin Scheme**, you must issue a **sales invoice** showing:

- your name, address and GST registration number
- buyer's name and address
- invoice number
- invoice date
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- total price
- signature of issuer
- the statement 'This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on the vehicle.'

- (b) Under the **Discounted Sale Price Scheme**, you must issue a **tax invoice** showing:

- the words 'tax invoice' in a prominent place
- invoice number
- invoice date
- your name, address and GST registration number
- buyer's name and address
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- type of supply (e.g. outright sale or hire purchase)
- cash discount offered, if any
- amount payable, excluding GST
- GST rate and GST amount
- total amount payable, including GST

- (c) The customer must sign and date the invoice, stating that he is the buyer of the vehicle at the price shown.
- (d) The sales details and selling price of the vehicle must be entered into the stock book or similar record under the appropriate headings.
- (e) A copy of the sales/tax invoice has to be kept and maintained.

**Appendix 2 - Sample Tax Invoice to Customer/Finance Company for Sale of New Vehicles under Hire-Purchase**

Using details in example 3 of paragraph 6.1

ABC Automobile Pte  
Ltd  
No. 1 Ubi Ave 2 Singapore  
123456 GST Reg No: M2-  
0123456-7

Tax  
Invoice

Finance Co:  
XYZ Finance Pte Ltd  
2 Shenton Way  
Singapore 666666

Invoice No : 0901  
Date : 1/7/2019  
Stock Book No : 0121

Customer:  
ABC Trading  
88 Thomson Road  
Singapore 888888

No.	Description	Amount												
1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Vehicle price (incl. ARF, COE, RF, Road Tax & GST) Less: Deposit paid Hire purchase amount due	      \$51,565.00 <u>\$ 5,565.00</u> <u>\$46,000.00</u>												
	GST details:													
	<table> <tr> <td></td> <td style="text-align: center;"><u>Taxable supplies</u></td> <td style="text-align: center;"><u>GST (7%)</u></td> </tr> <tr> <td>Customer</td> <td style="text-align: right;">\$ 5,200.93</td> <td style="text-align: right;">\$ 364.07</td> </tr> <tr> <td>Finance co.</td> <td style="text-align: right;"><u>\$17,158.88</u></td> <td style="text-align: right;"><u>\$1,201.12</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$22,359.81</u></td> <td style="text-align: right;"><u>\$1,565.19</u></td> </tr> </table>		<u>Taxable supplies</u>	<u>GST (7%)</u>	Customer	\$ 5,200.93	\$ 364.07	Finance co.	<u>\$17,158.88</u>	<u>\$1,201.12</u>	Total	<u>\$22,359.81</u>	<u>\$1,565.19</u>	
	<u>Taxable supplies</u>	<u>GST (7%)</u>												
Customer	\$ 5,200.93	\$ 364.07												
Finance co.	<u>\$17,158.88</u>	<u>\$1,201.12</u>												
Total	<u>\$22,359.81</u>	<u>\$1,565.19</u>												

(authorised signatory)

ABC Automobile Pte Ltd

**Appendix 3 - Sample Sales Invoice to Customer for Sale of Second-Hand Vehicles under Gross Margin Scheme**

Using details in example 11 of paragraph 9.1

<p>ABC Automobile Pte Ltd No. 1 Ubi Ave 2 Singapore 123456 GST Reg No: M2- 0123456-7</p> <p style="text-align: center;"><u>Sales Invoice</u></p>								
<p>Mr Marcus Tan 123 Newton Road Singapore 999999</p>	<p>Invoice No     0902 Date             : 1/7/2019 Stock Book No : 0122</p>							
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; padding: 5px;">No.</th> <th style="width: 70%; padding: 5px;">Description</th> <th style="width: 20%; padding: 5px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top; padding: 5px;">1</td> <td style="padding: 5px;">                     Registration No: XXXXXX                      Make: XXXXXX                      Model: XXXXXX                      Engine No: XXXXXX                      Chassis No: XXXXXX                       Selling price of vehicle                      Less: Deposit paid                      Balance amount due                 </td> <td style="text-align: right; vertical-align: bottom; padding: 5px;">                     \$25,000.00  <u>\$ 2,000.00</u>  <u>\$23,000.00</u> </td> </tr> </tbody> </table>	No.	Description	Amount	1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Selling price of vehicle Less: Deposit paid Balance amount due	\$25,000.00 <u>\$ 2,000.00</u> <u>\$23,000.00</u>		
No.	Description	Amount						
1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Selling price of vehicle Less: Deposit paid Balance amount due	\$25,000.00 <u>\$ 2,000.00</u> <u>\$23,000.00</u>						
<p>This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on this vehicle.</p>								
<p style="text-align: center;">_____</p> <p style="text-align: center;">(authorised signatory)</p> <p style="text-align: center;">ABC Automobile Pte Ltd</p>	<p style="text-align: center;">_____</p> <p style="text-align: center;">Buyer's Signature &amp; Date</p>							



**Appendix 4 - Sample Tax Invoice to a GST-Registered Customer for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme**

(using details in example 14 of paragraph 10.1)

<p>ABC Automobile Pte Ltd No. 1 Ubi Ave 2 Singapore 123456 GST Reg No: M2- 0123456-7</p> <p style="text-align: center;"><u>Tax</u> <u>Invoice</u></p>								
<p>XYZ Motor Co 2 Wheelock Ave Singapore 555555</p>	<p>Invoice No      0903 Date                : 1/7/2019 Stock Book No : 0123</p>							
<p>Type of Supply: Cash Term</p>								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; padding: 5px;">No.</th> <th style="width: 70%; padding: 5px;">Description</th> <th style="width: 20%; padding: 5px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top; padding: 5px;">1</td> <td style="padding: 5px;">                     Registration No: XXXXXX                      Make: XXXXXX                      Model: XXXXXX                      Engine No: XXXXXX                      Chassis No: XXXXXX                       Selling price of vehicle                      Add: GST @ 7% x 50% x \$25,000                      Total amount due                      Less: Deposit paid                      Balance amount due                 </td> <td style="text-align: right; vertical-align: bottom; padding: 5px;">                     \$25,000.00  <u>\$ 875.00</u>                      \$25,875.00  <u>\$ 5,000.00</u>  <u>\$20,875.00</u> </td> </tr> </tbody> </table>	No.	Description	Amount	1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Selling price of vehicle Add: GST @ 7% x 50% x \$25,000 Total amount due Less: Deposit paid Balance amount due	\$25,000.00 <u>\$ 875.00</u> \$25,875.00 <u>\$ 5,000.00</u> <u>\$20,875.00</u>		
No.	Description	Amount						
1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Selling price of vehicle Add: GST @ 7% x 50% x \$25,000 Total amount due Less: Deposit paid Balance amount due	\$25,000.00 <u>\$ 875.00</u> \$25,875.00 <u>\$ 5,000.00</u> <u>\$20,875.00</u>						
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%; text-align: center;"> <p>_____</p> <p>(authorised signatory)</p> <p>ABC Automobile Pte Ltd</p> </div> <div style="width: 45%; text-align: center;"> <p>_____</p> <p>Buyer's Signature &amp; Date</p> </div> </div>								

**Appendix 5 - Sample Tax Invoice to Customer/Finance Company for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme**

Using details in example 15 of paragraph 10.1

ABC Automobile Pte Ltd No. 1 Ubi Ave 2 Singapore 123456 GST Reg No: M2- 0123456-7		
<u>Tax</u> <u>Invoice</u>		
Finance Co: XYZ Finance Pte Ltd 2 Shenton Way Singapore 666666	Invoice No      0904 Date                : 1/7/2019 Stock Book No : 0124	
Customer: ABC Trading 88 Thomson Road Singapore 888888		
Type of Supply: Hire Purchase		
No.	Description	Amount
1	Registration No: XXXXXX Make: XXXXXX Model: XXXXXX Engine No: XXXXXX Chassis No: XXXXXX  Selling price of vehicle (incl. GST) Less: Deposit paid Hire purchase amount due	\$25,875.00 <u>\$ 5,875.00</u> <u>\$20,000.00</u>
GST details:		
	<u>Taxable supplies</u>	<u>GST (7%)*</u>
	Customer      \$ 5,676.33	\$198.67
	Finance co.    \$19,323.67	<u>\$676.33</u>
	Total            \$25,000.00	<u>\$875.00</u>
<hr/> (authorised signatory)		
ABC Automobile Pte Ltd		Buyer's Signature & Date

\*GST is computed at 7% of 50% of the taxable supply.

## Appendix 6 - GST Computation Templates for Sale of New Vehicles

### New Vehicles

Using details in example 3 of paragraph 6.1

				[A]	[B]	[C]	[D]	[E]	[F]=[A]-[B]-[C]-[D]-[E]	[G]=[F] x 7/107	[H]=[F]-[G]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	ARF	COE	Regn fee	Road tax	Taxable supply (including GST)	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$51,565.00	\$14,000.00	\$13,000.00	\$140.00	\$500.00	\$23,925.00	\$1,565.19	\$22,359.81
2											
3											
<b>Total</b>										<b>\$1,565.19</b>	<b>\$22,359.81</b>
										Box 6	Box 1

### Off-Peak Cars

Using details in example 4 of paragraph 6.3

				[A]	[B]	[C]	[D]	[E]=[B]+[C]-[D]	[F]	[G]	[H]=[A]-[E]-[F]-[G]	[I]=[H] x 7/107	[J]=[H]-[I]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	ARF	COE	OPC rebate	Net ARF/COE paid to LTA	Regn fee	Road tax	Taxable supply (including GST)	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$35,115.00	\$14,000.00	\$13,000.00	\$17,000.00	\$10,000.00	\$140.00	\$50.00	\$24,925.00	\$1,630.61	\$23,294.39
2													
3													
<b>Total</b>												<b>\$1,630.61</b>	<b>\$23,294.39</b>
												Box 6	Box 1

### Vehicles Granted Green Vehicle Rebate (GVR)

Using details in example 5 of paragraph 6.4

				[A]	[B]	[C]	[D]=[B]-[C]	[E]	[F]	[G]	[H]=[A]-[D]-[E]-[F]-[G]	[I]=[H] x 7/107	[J]=[H]-[I]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	ARF	GVR	Net ARF paid to LTA	COE	Regn fee	Road tax	Taxable supply (including GST)	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$50,000.00	\$14,000.00	\$1,700.00	\$12,300.00	\$13,000.00	\$140.00	\$500.00	\$24,060.00	\$1,574.02	\$22,485.98
2													
3													
<b>Total</b>												<b>\$1,574.02</b>	<b>\$22,485.98</b>

Box 6                      Box 1

### Vehicles Granted Carbon Emissions-Based Rebate (CEVS Rebate)

Using details in example 6 of paragraph 6.4

				[A]	[B]	[C]	[D]=[B]-[C]	[E]	[F]	[G]	[H]=[A]-[D]-[E]-[F]-[G]	[I]=[H] x 7/107	[J]=[H]-[I]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	ARF	CEVS Rebate	Net ARF paid to LTA	COE	Regn fee	Road tax	Taxable supply (including GST)	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$50,000.00	\$14,000.00	\$5,000.00	\$9,000.00	\$13,000.00	\$140.00	\$500.00	\$27,360.00	\$1,789.91	\$25,570.09
2													
3													
<b>Total</b>												<b>\$1,789.91</b>	<b>\$25,570.09</b>

Box 6                      Box 1

**Note:** ARF, COE, registration fee, road tax, OPC rebate, green vehicle rebate and CEVS rebate are to be extracted from LTA documents. For vehicles subject to CEVS surcharges, the registration surcharge will be added to the ARF before surcharge to compute the total ARF.

## Appendix 7 - GST Computation Templates for Sale of Second-Hand Vehicles

### Gross Margin Scheme<sup>1</sup>

Using details in example 13 of paragraph 9.7

				[A]	[B]	[C]	[D]	[E]	[F]=[A]-[B]-[C]-[D]-[E]	[G]=[F] x 7/107	[H]=[A]-[G]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	Purchase price	COE renewal <sup>2</sup>	Road tax renewal <sup>2</sup>	Transfer fee <sup>2</sup>	Gross margin <sup>3</sup>	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$40,500.00	\$10,900.00	\$26,000.00	\$600.00	\$30.00	\$2,970.00	\$194.30	\$40,305.70
2											
3											
<b>Total</b>										<b>\$194.30</b>	<b>\$40,305.70</b>
										Box 6	Box 1

### Discounted Sale Price Scheme<sup>4</sup>

Using details of example 15 of paragraph 10.1

				[A]	[B]	[C]=[A] x 7/207	[D]=[A]-[C]
S/n	Invoice date	Invoice no.	Vehicle no.	Selling price	Purchase price	GST output tax	Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$25,875.00	\$20,000.00	\$875.00	\$25,000.00
2							
3							
<b>Total</b>						<b>\$875.00</b>	<b>\$25,000.00</b>
						Box 6	Box 1

**Note:**

<sup>1</sup>The second-hand vehicle must be purchased free of GST (e.g. purchased from non-GST registered person or GST-registered supplier who had used the Gross Margin Scheme).

<sup>2</sup>If the LTA charges were separately recovered from the customers, you cannot deduct the LTA charges from the selling price of the used vehicle to arrive at the gross margin.

<sup>3</sup>If the gross margin is  $\leq$  \$0, the GST output tax [G] is \$0 and the standard-rated supply [H] is the selling price of the used vehicle [A].

<sup>4</sup>You have previously claimed GST on the purchase of the used vehicle (therefore you cannot use the Gross Margin Scheme) or the customer is registered for GST.

## Appendix 8 - GST Computation Templates for Sale of Vehicle Bodies

**Scenario: You purchase a second-hand vehicle, deregister it and sell the vehicle body locally.**

Using details in examples 16 and 17 of paragraphs 11.2 and 11.3

S/n	Invoice date	Invoice no.	Vehicle no.	[A] Selling price of vehicle body	[B] Purchase price of used vehicle <sup>1</sup>	[C] Face value of PARF/COE rebate at date of de-registration of vehicle <sup>2</sup>	[D]=[B]-[C] Cost of vehicle body <sup>3</sup>	[E]=[A]-[D] Gross margin <sup>4</sup>	[F]=[E] x 7/107 GST output tax	[G]=[A]-[F] Standard-rated supply
1	DDMMYY	XXXXX	XXXXX	\$20,000.00	\$85,000.00	\$66,000.00	\$19,000.00	\$1,000.00	\$65.42	\$19,934.58
2	DDMMYY	XXXXX	XXXXX	\$20,000.00	\$65,000.00	\$66,000.00	\$0.00	\$20,000.00	\$1,308.41	\$18,691.59
3										
4										
5										
<b>Total</b>									<b>\$1,373.83</b>	<b>\$38,626.17</b>

Box 6

Box 1

### Note:

<sup>1</sup>The used vehicle must be purchased free of GST (e.g. purchased from non-GST registered person or GST-registered supplier who had used the Gross Margin Scheme). Otherwise, you must charge and account for GST on the full selling price of the vehicle body.

<sup>2</sup>This figure is to be extracted from LTA documents.

<sup>3</sup>The cost of vehicle body is \$0 when the face value of PARF/COE rebate at date of de-registration of the vehicle [C] is  $\geq$  the purchase price of the second-hand vehicle [B].

<sup>4</sup>If the gross margin is  $\leq$  \$0, the GST output tax [F] is \$0 and the standard-rated supply [G] is the selling price of the vehicle body [A].